

April 10, 2007

Mr. Gene M. Johnson
Director
Virginia Department of Corrections
6900 Atmore Drive
Richmond, Virginia 23225

Subject: Mt Rogers Phase II PPEA Proposal – Site Identification

Dear Mr. Johnson:

We are hereby notifying the Department of three changed conditions from our Part 2 Detailed Stage proposal, dated December 15, 2006.

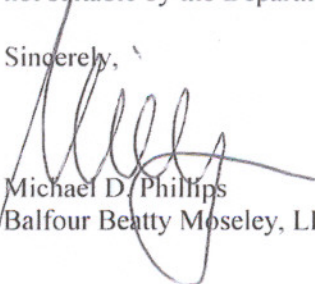
First condition: Centex Moseley, LLC; aka Commonwealth Corrections Solutions is now Balfour Beatty Moseley, LLC; aka Commonwealth Corrections Solutions. This change is a result of an acquisition which closed March 31, 2007. Please be advised that our management staff, address, and other contact information will remain the same. All proposed obligations (including insurance, bonds, and warranties) remain in full force and effect.

Second condition: due to action taken by one of the adjacent land owners to the Cox's Chapel site, subsequent to our submission, we can no longer anticipate access without the use of condemnation (see Section 1, Plans for Securing Property).

Third condition: the team has continued to evaluate additional options for sites (see Section 1, Plans for Securing Property). Optional Site 2, although not suitable, had four adjacent tracts worthy of consideration, Tax Map ID 73-A-97, 73-A-94B, 73-A-96, and 73-A-93. Our preliminary analysis indicates these tracts, collectively known as the "Route 58 Site," provide several advantages to the Department. Environmental assessment, access, and proximity to utilities are all improved compared to the Cox's Chapel site. Each of these attributes will reduce the cost with utilities producing the greatest savings. It is our recommendation at this time to elevate the Route 58 Site to the number one proposed site.

The team will continue its analysis through Part 2 of the PPEA process and should the Route 58 Site be deemed not suitable by the Department, for any reason, a successive site will be considered.

Sincerely,



Michael D. Phillips
Balfour Beatty Moseley, LLC

cc: David Birtwistle, Harold Ellis, Kim Lipp